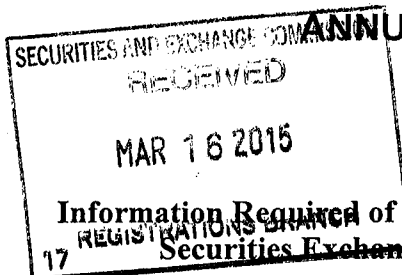


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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

| OMB APPROVAL             |                |
|--------------------------|----------------|
| OMB Number:              | 3235-0123      |
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| hours per response...    | 12.00          |



ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III

| SEC FILE NUMBER |
|-----------------|
| 8-50618         |

FACING PAGE

Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 1/01/2014 AND ENDING 12/31/2014  
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Family Management Securities, LLC

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

485 Madison Avenue – 19<sup>th</sup> Floor

New York

(City)

(No. and Street)  
New York

(State)

10022

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Andrea Tessler

212-872-9620

(Area Code – Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

KPMG LLP

(Name – if individual, state last, first, middle name)

4 Becker Farm Road

(Address)

Roseland

(City)

New Jersey

(State)

07068

(Zip Code)

CHECK ONE:

- ☒ Certified Public Accountants  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

\*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

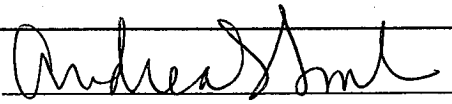
SEC 1410 (06-02)

Potential persons who are to respond to the collection of  
information contained in this form are not required to respond  
unless the form displays a currently valid OMB control number.

## OATH OR AFFIRMATION

I Andrea Tessler, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Family Management Securities, LLC, as of December 31,, 2014, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

No Exceptions

  
Signature  
Managing Director/COO  
Title



Notary Public

KATHLEEN B. CALABRO  
Notary Public, State of New York  
No. 01CA6002828  
Qualified in Kings County  
Commission Expires 2/17/18

This report \*\* contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☐ (c) Statement of Income (Loss).
- ☐ (d) Statement of Changes in Financial Condition.
- ☐ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☐ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.
- ☐ (o) Independent Auditors' Report on Internal Accounting Control.

**\*\*For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).**

**FAMILY MANAGEMENT SECURITIES, LLC**

STATEMENT OF FINANCIAL CONDITION  
(WITH REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM)

DECEMBER 31, 2014

# **FAMILY MANAGEMENT SECURITIES, LLC**

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| <b>Financial Statement</b>                                     |            |
| Statement of Financial Condition                               | <b>2</b>   |
| Notes to Financial Statement                                   | <b>3-5</b> |



KPMG LLP  
4 Becker Farm Road  
Roseland, NJ 07068

## **Report of Independent Registered Public Accounting Firm**

To the Members of  
Family Management Securities, LLC

We have audited the accompanying statement of financial condition of Family Management Securities, LLC (The Company) as of December 31, 2014. The financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of Family Management Securities, LLC as of December 31, 2014 in conformity with U.S. generally accepted accounting principles.

*KPMG LLP*

March 13, 2015

# Family Management Securities, LLC

## Statement of Financial Condition December 31, 2014

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### ASSETS

|  |                   |
|--|-------------------|
| Cash   | \$ 685            |
| Receivables from clearing broker, including<br>clearing deposit of \$100,676 | 404,861           |
| Prepaid assets and other receivables   | <u>25,441</u>     |
| Total Assets   | <u>\$ 430,987</u> |

### LIABILITIES AND MEMBER'S CAPITAL

#### Liabilities:

|                                       |               |
|---------------------------------------|---------------|
| Accounts payable and accrued expenses | \$ 99,314     |
| Payable to affiliate                  | <u>16,660</u> |

|                   |         |
|-------------------|---------|
| Total Liabilities | 115,974 |
|-------------------|---------|

|                 |                |
|-----------------|----------------|
| Members' equity | <u>315,013</u> |
|-----------------|----------------|

|  |                   |
|--|-------------------|
| Total Liabilities and Member's Capital | <u>\$ 430,987</u> |
|--|-------------------|

# FAMILY MANAGEMENT SECURITIES, LLC

## NOTES TO FINANCIAL STATEMENTS

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### 1. Nature of business and summary of significant accounting policies

#### *Nature of Business*

Family Management Securities, LLC (the "Company") is a limited liability company organized under the laws of the state of Delaware on April 27, 1998. The Company is a registered broker-dealer with the Securities and Exchange Commission ("SEC") and is a member of the Financial Industry Regulatory Authority ("FINRA"), that introduces brokerage accounts on a fully disclosed basis to a clearing broker.

#### *Basis of Presentation*

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

These financial statements were approved by management and available for issuance on March 13, 2015. Subsequent events have been evaluated through this date.

#### *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Company's management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### *Income Taxes*

The Company is a limited liability company, and treated as a partnership for income tax reporting purposes. The Internal Revenue Code ("IRC") provides that any income or loss is passed through to the members for federal and state income tax purposes. Accordingly, the Company has not provided for federal or state income taxes. The Company is subject to the New York City unincorporated business tax.

At December 31, 2014, management has determined that the Company had no uncertain tax positions that would require financial statement recognition. This determination will always be subject to ongoing reevaluation as facts and circumstances may require. The Company remains subject to U.S. federal and state income tax audits for all periods subsequent to 2011.

# **FAMILY MANAGEMENT SECURITIES, LLC**

## **NOTES TO FINANCIAL STATEMENTS**

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### **2. Net capital requirement**

The Company, as a member of FINRA, is subject to SEC Uniform Net Capital Rule 15c3-1. This Rule requires the maintenance of minimum net capital and that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1 and that equity capital may not be withdrawn or cash dividends paid if the resulting net capital ratio would exceed 10 to 1. At December 31, 2014, the Company's net capital was approximately \$289,600 which was approximately \$239,600 in excess of its minimum requirement of \$50,000.

### **3. Off-balance sheet risk**

Pursuant to a clearance agreement, the Company introduces all of its securities transactions to a clearing broker on a fully-disclosed basis. All of the customers' money balances and long and short security positions are carried on the books of the clearing broker. In accordance with the clearance agreement, the Company has agreed to indemnify the clearing broker for losses, if any, which the clearing brokers may sustain from carrying securities transactions introduced by the Company. In accordance with industry practice and regulatory requirements, the Company and the clearing broker monitor collateral on the customers' accounts.

In addition, the receivables from the clearing broker are pursuant to this clearance agreement and include a clearing deposit of \$100,676.

### **4. Concentrations of credit risk**

In the normal course of business, the Company's customer activities involve the execution, settlement, and financing of various customer securities transactions. These activities may expose the Company to off-balance-sheet risk in the event the customer or other broker is unable to fulfill its contracted obligations and the Company has to purchase or sell the financial instrument underlying the contract at a loss.

The Company maintains its cash balances in various financial institutions. These balances are insured by the Federal Deposit Insurance Corporation up to \$250,000 per institution through December 31, 2014.

The Company's policy is to continuously monitor its exposure to market and counter party risk through the use of a variety of financial, position and credit exposure reporting and control procedures. In addition, the Company has a policy of reviewing the counterpart, primarily broker-dealers, banks and other financial institutions, with which it conducts business.

### **5. Exemption from Rule 15c3-3**

The Company is exempt from the Securities and Exchange Commission Rule 15c3-3 pursuant to exemptive provisions of sub paragraph (k)(2)(ii) as all customer transactions are cleared through a clearing broker on a fully disclosed basis.



# **FAMILY MANAGEMENT SECURITIES, LLC**

## **NOTES TO FINANCIAL STATEMENTS**

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### **6. Contingencies**

In the normal course of business, members of the Company have been named as defendants in various matters. Management of the Company, after consultation with legal counsel, believes that the resolution of these matters will not have a material adverse effect on the financial condition, results of operations or cash flows of the Company.

### **7. Related party transactions**

The Company has an agreement with Family Management Corporation ("FMC"), a related entity, whereby FMC provides certain administrative services and the use of certain office space in connection with the Company's operations. In exchange for these services and office space, the Company is billed a representative allocation of direct expenses based on square footage, human resources and other related factors. At December 31, 2014, the Company has a balance due to affiliate of approximately \$16,700.

A majority of the Company's customers are referrals from FMC, an investment advisor registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940.